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# Economic and Social Council

Provisional

11 August 2004

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**Substantive session of 2004**
High-level segment (*continued*)

**Provisional summary record of the 17th meeting**
Held at Headquarters, New York, on Monday, 28 June 2004, at 3 p.m.

*President*: Ms. Rasi ..... (Finland)

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Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (*continued*)

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*The meeting was called to order at 3.05 p.m.*

**Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010** (*continued*)

*Investment Promotion Forum*

1. **The President**, after declaring open the Investment Promotion Forum, said that the current meeting was the culmination of a number of preparatory events that had brought together ministers and other high-level representatives of Member States, United Nations agencies, funds and programmes and representatives of civil society and the private sector. Among the elements highlighted during those events was the crucial role of foreign and domestic investment in stimulating greater and more equitable growth in the least developed countries so that the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (Brussels Programme of Action) and the Millennium Development Goals could progress significantly. In a world of liberalized global markets where the private sector drove economic growth, a drastic increase in investment and entrepreneurship was required in order to enhance economic development, job creation and poverty reduction. Solutions to poverty, environmental degradation and other challenges could be found only if the private sector was involved, and the growing engagement of the business community in the work of the United Nations was therefore to be welcomed.

2. The Council had been a lead player in that area. As a result of its role in promoting and facilitating partnerships among Governments, international organizations, civil society and the business community, the Council was developing into a policy coordinating body and strategic platform where policy-making on key issues took place. Results of its recent high-level segments illustrated that point: in 2000, the Secretary-General had established the Information and Communication Technologies Task Force to mobilize information and communication technologies in the service of development; in 2001, the Council had organized a private sector forum to provide a better understanding of the needs and means of public and private partnerships in African economies; and the idea for the Public-Private Alliance for Rural Development had arisen out of the high-level segment held in 2003.

3. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) observed that the best means of reducing the number of people living in poverty was the mobilization and productive use of adequate resources through investment and job creation. Foreign and, particularly, domestic investment were the key to accelerating growth. Least developed countries, however, faced the greatest obstacles when seeking productive investment because their capacity for domestic savings was limited and structural impediments in their economies often deterred foreign investment.

4. It should be underscored that the least developed countries as a group had, since 2000, grown faster than other developing countries. According to forecasts by his Department, that situation would continue in the immediate future, which suggested that higher investment was possible in such countries. There were, however, wide variations in the performance of least developed countries. Oil exports had had a positive effect on growth in some countries, while conflict had adversely affected long-term progress in others. A few countries had been able to achieve the 7 per cent growth rate called for in the Brussels Programme of Action; however, in both 2002 and 2003, the number showing a decline in per capita gross domestic product had been greater than the number showing a minimum increase of 3 per cent, which was the United Nations "poverty alleviation threshold".

5. A decisive and concerted effort would be needed to raise all least developed countries to that benchmark. The purpose of the Investment Promotion Forum was to discuss ways to achieve that objective, bearing in mind the need to sustain and substantiate the partnership forged in the Brussels Programme of Action. The business sector and civil society had shared responsibilities as partners in development; their command of capital and strong advocacy in favour of the poor, respectively, could be combined to create growing prosperity. Some poor countries had been successfully connected to the global economy through foreign direct investment. Yet while such experiences should be built upon, there was no room for complacency. If the targets of the Brussels Plan of Action and the Millennium Development Goals were to be met, intentions must be turned into results through more international assistance. Otherwise, the common

goal of eradicating extreme poverty would remain unfulfilled.

6. **Mr. Chowdhury** (Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States) stressed that the establishment in 2002 of the Office of High Representative at Headquarters reflected the unequivocal support of the United Nations for least developed countries and their concerns. His Office undertook global advocacy and mobilized international support for those countries and conducted annual reviews of the implementation of the Brussels Programme of Action. It was therefore immensely satisfying that the Council was devoting such high-profile attention to least developed countries, and he hoped that the attention would serve to renew the international community's commitment to them.

7. He was delighted to note the presence of so many Ministers and high-level delegates, who had come to participate in the interactive part of the high-level segment. The purpose of that part of the segment was to explore ways to improve the investment climate and the flow of resources to least developed countries. A number of round-table discussions had been scheduled to tackle domestic and foreign investment issues that were of particular interest to least developed countries, such as microfinance and microcredit in private sector development; partnerships in the mobilization of resources; and investment in the urban services sector.

8. His Office was hosting a round table entitled "The role of trade preference in least developed countries in promoting investment". It sought to determine how trade preferences accorded to those countries could generate an increase in the level of domestic investment and how they might be used to attract foreign direct investment, thereby enabling least developed countries to take advantage of market access privileges granted to them by their development partners. He hoped that new ideas and creative proposals would be generated by the afternoon's discussions, which could be channelled into the broader debate on the implementation of the Brussels Programme of Action.

*The meeting rose at 3.30 p.m.*